

2021 DBMD Accountability Report Training





- Break
- Hold Questions
- Mute your Phone, email messages, IM or skype
- How to ask questions ("Chat")
- Provider Finance will track training attendance internally
- Webinar monitors attendance
- Accountability Report Training

Introduction



Rates for Texas Long-term Services and Supports (LTSS) Medicaid programs are developed by the Texas Health and Human Services Commission (HHSC) Provider Finance Department (PFD). PFD works closely with HHSC to coordinate service definitions, rules, and rates.

The 2020 DBMD Accountability Report is due on **April 30, 2021**.

HHSC Provider Finance Contact Information



For Assistance With	Telephone	E-mail
Accountability Report completion, instructions, informal reviews and/or general guidance	(512) 424-6637	pfd-ltss@hhs.texas.gov
Accountability Report Excusals		pfdcostreportverification@hhs.texas.gov
Accountability Report Requests and Submission or STAIRS Technical Assistance	(512) 438-2680	costinformationpfd@hhs.texas.gov
Enrollment for Rate Enhancement and Training Information and Registration	(512) 438-2680	costreporttrain@hhsc.state.tx.us

Accountability Report Excusals



Examples of reasons for accountability report excusals:

The provider delivered no services.

If you meet any of the above criteria, then you may be eligible for an accountability report excusal.

To apply for an excusal, please email pfdcostreportverification@hhs.Texas.gov

For more information about accountability report excusals, please visit our website: http://rad.hhs.texas.gov/long-term-services-supports/cost-report-excusal-information





 Promote effective communication between preparers and Provider Finance

 Provide information necessary to complete the DBMD Accountability Report

 Proactively address items and responsibilities that have historically been problematic for new preparers

Topics to be Covered



- HHSC & DFPS
- Why are Accountability Reports Important?
- DBMD Program-Specific Information
- How a Cost Becomes a Rate
- Desk Reviews and Field Audits
- Informal Reviews
- Formal Appeals Requests
- How to Complete a Accountability Report
- Miscellaneous

- Unacceptable Accountability Reports
- Vendor Hold
- Allowable and Unallowable Costs
- Insurance Costs
- Related-Party Compensation
- STAIRS

HHSC & DFPS



- Rates for long term care programs are developed by Provider Finance for Long Term Services and Supports (LTSS) at the Health and Humans Services Commission (HHSC).
- Long Term Care programs are ADMINISTERED by the Health and Human Services Commission (HHSC) and the Department of Family and Protective Services (DFPS – 24-Hour Residential Child Care only).
- Provider Finance staff work closely with staff at HHSC and DFPS to coordinate program administration, service definitions, billing guidelines and rates.





The data from Texas Medicaid accountability reports is used for:

- Rate setting;
- Legislative appropriations requests;
- Determining rate enhancement compliance;
- Obtaining cost information for special circumstances and special research projects.



Due to the Cost Report Reform, Provider Finance will collect:

Setting	Even-Year	Odd-Year
Residential (HCS, ICF/IDD, NF, RC)	Cost Report	Accountability Report
Non-Residential (CPC, DAHS)	Accountability Report	Cost Report
24 RCC	Cost Report	Cost Report
DBMD	Accountability Report	Accountability Report

How a Cost Becomes a Rate



- 1. The Preparer or Provider completes their accountability report in STAIRS
- 2. The STAIRS file is verified and all necessary documentation is provided by the Provider
- 3. Edit check is performed by Provider Finance
- 4. Desk review is performed by HHSC Cost Report Review Unit (CRRU)
- 5. Post-audit data cleanup is performed by Provider Finance
- 6. Informal review and/or formal appeal (if applicable) is performed by Provider Finance
- 7. Database(s) are created to analyze data to calculate proposed rates
- 8. PFD submits rates to HHSC for approval and adoption.



Desk Reviews and Field Audits

Desk Reviews verify that each accountability report:

- Correctly reports allowable and unallowable costs.
- Follows Generally Accepted Accounting principles (GAAP) except as otherwise specified.
- Follows accountability report instructions and rules.
- Is supported by documentation.
- Records must be accessible to HHSC Cost Report Review Unit (CRRU) within 10 working days of notification.



Desk Reviews and Field Audits

HHSC sends notices regarding the exclusions and adjustments.

These notices identify:

- Items that have been adjusted.
- The amount of each adjustment.
- The reason for each adjustment.

Informal Review Request



- Due within 30 days of notification.
- Must include items in dispute, recommended resolution, supporting documentation.
- Must be signed by the individual legally responsible for the conduct of the HHSC or DFPS contracted provider or their legal representative.
- Hand delivery, U.S. mail, special mail delivery or email.

Formal Appeal Request



- Due within 15 days of notification.
- Limited to issues and documentation from Informal Review.
- Must be signed by the individual legally responsible for the conduct of HHSC or DFPS contracted provider or their legal representative.

How to Complete an Accountability Report

The basic steps for completing an accountability report are as follows:



- 1. Log in to the State of Texas Automated Information Reporting System (STAIRS);
- 2. Review your prior year's accountability report(s) and respective adjustment(s), if applicable;
- 3. Read the <u>published instructions</u> for the corresponding accountability report program and year;
- 4. Gather all required documentation;
- 5. Review the General Ledger for unallowable costs and classification errors;
- Create work papers that clearly reconcile between your fiscal year and end trial balance, and the amounts reported on your accountability report (and include the accountability report steps on your reconciliation);
- 7. Complete all required allocations;
- 8. Complete the accountability report steps in order on STAIRS, as required;
- 9. Transfer values from your allocation worksheets and reconciliations to appropriate accountability report items;
- 10. Check your work for errors;
- 11. Complete the Preparer (Methodology Certification) page and the Accountability Report (Provider) Certification page.

Miscellaneous Information



- Round \$ amounts to 0 places; round statistical information to 2 places.
- Accrual method of accounting must be used for any proprietary contractors.
- To be allowable, accrued expenses must be incurred during the accountability reporting period and must be paid within 180 days after the end of that reporting period.
- Records must be maintained a minimum of 3 years 90 days after the resolution of all litigation, claims and audit findings involving the accountability report.



Problems (Unacceptable Accountability Reports)

- Not completed in accordance with rules, instructions, and policy clarifications.
- Not completed for the correct reporting period.
- Not completed using an accrual method of accounting (except governmental entities required to operate on a cash basis).
- Preparer has not submitted required documentation (certification page, allocation summaries, work papers)
- Auditor is unable to reconcile to provider's work papers.
- Provider fails to provide requested information/ documentation in a timely fashion.
- Provider does not having supporting work papers.
- Provider used unacceptable allocation method.

Vendor Hold



Failure to submit an acceptable accountability report by the accountability report due date will result in HHSC or DFPS withholding payments from the provider until an acceptable accountability report is submitted.



Allowable Costs: Reasonable Criteria

 Costs are allowable if they are considered both "reasonable" and "necessary".

Reasonable Costs:

- Costs are minimized through arm's-length transactions*
- The amount does not exceed what a prudent, cost-conscious buyer pays for a given item or service

*Arm's-length transactions are transactions between parties that are not related by blood, marriage or control. Less-than-arm's-length transactions are transactions between related parties.



Allowable Costs: Necessary Criteria

Necessary Costs:

- Costs are for developing and maintaining the required standard of operation for client care (within local, state, and federal regulations)
- Costs are not personal costs
- Costs are directly or indirectly related to providing the contracted service
- Costs that are allocated per program are substantiated.





Allowable forms of compensation include both cash and non-cash forms of compensation subject to federal payroll tax regulations, in the form of salaries and wages (including bonuses), payroll taxes, and employee benefits, as seen below.

Salaries and Wages (including bonuses)

 Bonuses paid to employees in arm's-length transactions are allowable costs, subject to the reasonable and necessary costs criteria.

Payroll Taxes

Federal Insurance Contribution Act (FICA), Workers'
 Compensation, and Unemployment Compensation are allowable costs.



Allowable Forms of Compensation

Benefits

- Allowable employee benefits are reported as either salaries and wages, employee benefits, or costs applicable to specific cost report line items.
- Benefits that must be reported as salaries and wages and directly charged to the individual employee include paid vacation days, paid holidays, paid sick leave, and other paid leave.



Allowable Forms of Compensation (continued)

- Costs that must be reported as benefits and directly charged to the individual employee include:
 - Employer contributions to deferred compensation plans,
 - Retirement funds,
 - Pension plans,
 - The costs of employer-paid health/medical/dental/disability insurance premiums and paid claims,
 - Employer-paid child day care for children of employees, and
 - Accrued paid days off not yet subject to payroll taxes.



Allowable Forms of Compensation (continued)

- Benefits that are reported as costs applicable to specific accountability report line items include:
 - Employer-paid training/educational costs
 - Employee relations costs
 - Uniforms
 - Non-cash incentives
 - Mileage reimbursement and
 - Meals.

An example of an unallowable form of compensation is a gift card -- these are not subject to federal payroll tax regulations.

For more information, see <u>1 TAC §355.103(b)(1) - Compensation</u> of employees.

Allocation and Documentation of Compensation



Allocation of Compensation

Only employer-paid health, medical, dental, and disability paid claims can be allocated. All other employee benefits and/or insurance must be direct-costed.

Documentation of Compensation

Providers must maintain documentation which clearly identifies each type of compensation. Examples of required documentation:

- Payroll documentation to support hours worked (both regular and overtime) and wages paid;
- Insurance policies and provider benefit policies;
- Records showing paid leave accrued and taken;
- Mileage logs; and
- Travel allowances.

For more information on documentation, see 1 TAC §355.105(b)(2)(B)



Allowable and Unallowable Costs: Travel

Maximum allowable travels costs for allowable activities:

- 150% of <u>General Service Administration's</u> (GSA's) per diem federal travel rates for maximum lodging and meal reimbursement rates, by destination.
- For locations not specifically listed by the GSA, the current daily rates are listed by the <u>Texas Comptroller of Public Accounts</u>.

Out-of-state travel costs are unallowable, unless:

- For allowable staff training which is not available in the state of Texas;
- For delivering client services within 25 miles of the Texas border (adjoining states but not Mexico).

Allowable and Unallowable Costs: Insurance Expenses



Purchased & Commercial Insurance

Providers may purchase insurance from:

Commercial carriers

- Purchase must be an arm's-length transaction
- Insurer must meet standards set by the Texas Department of Insurance

Limited purpose insurers

Costs must not be in excess of the cost of comparable insurance premiums.

Special risk management funds or pools

- Fund or pool must be operated by a third party which assumes some of the risk.
- Fund or pool must have an annual actuarial review.

Allowable and Unallowable Costs: Insurance Expenses



Self-insurance

Occurs when a provider assumes the risk to protect itself against anticipated insurance liabilities and no other entity shares any of the risk; this can also be described as being uninsured. Costs are allowable on a cash, claims-paid basis with certain limitations.

Partial Self-insurance

Similar to self-insurance, except another entity shares part of the risk. Includes a stop-loss policy or some other method to share the risk between the provider and the third party.

Allowable and Unallowable Costs: Insurance Expenses



Self-insurance Documentation Requirements

Ensure that documentation is maintained that supports the amount of claims paid each year. Other documentation will also be required. For more information on documentation, see TAC 355.105(b)(2)(B)(ix).

Life Insurance

Unallowable for the lives of owners, officers, and key employees where the contracted provider is a direct or indirect beneficiary.





A Related Party is any person or organization related to the provider by:

- Parent, child, sibling (including Step-children)
- Mother-in-law, Father-in-law
- Aunt, Uncle, Cousin
- Marriage
- Common ownership
- Control



Related Parties

Control

Control occurs if a person or organization has the power to directly or indirectly influence actions or policies of the provider – whether or not that control is exercised.

Common Ownership

Common ownership occurs if a person possesses an ownership/equity interest in the provider and in the organization serving the contracted provider.

Attach an organizational chart indicating the related party and name within the organization.





Reasonable – Must be an amount that would ordinarily be paid for comparable services.

Necessary – Duties/services performed by the related-party employee or entity are such that the provider would have to employ another person or contract with another entity to perform the duties/services if the related-party was unavailable.



Related Party Compensation

Documentation should include:

- Written description of duties, functions, responsibilities
- Substantiation that services performed were not duplicative
- Daily timesheets or other documentation verifying hours worked
- Breakdown by regular pay, overtime, bonuses, benefits, etc.
- Proof of regular, periodic payments and/or accruals
- Proof that compensation is subject to payroll/selfemployment taxes
- Allocation worksheets, if compensation is allocated

Related Party Compensation: Bonuses



- Must not represent profit sharing or be determined based on profit
- Must be clearly defined in written agreement or employment policy
- Must not be made only to, or discriminate in favor of, related parties

Documentation should include a written, clearly defined bonus policy which defines:

- The basis for distributing the bonuses
- Who received bonuses
- The amount received by each individual
- Whether the individual was a related party



Related Party Compensation: Benefits

Benefits paid to related parties must not discriminate in favor of certain employees such as employees who are officers, stockholders, or the highest paid individual(s) of the organization.

Documentation should include a written, clearly defined benefits policy which defines:

- The basis for eligibility for each type of benefit
- Who is eligible to receive each type of benefit
- Who actually received each type of benefit
- The amount of each type of benefit received by each individual
- Whether the individual receiving each type of benefit was a related party



Related Party Compensation

Unallowable Compensation

Compensation that is not clearly enumerated as to the dollar amount or which represents profit or surplus revenue distributions.

Attendant Compensation Rate Enhancement





Attendant Compensation Rate Enhancement

- Improve quality of care by improving wages and benefits for staff providing direct care
- Participants receive an add-on to their per unit rate in order to increase compensation to attendants
- Participation is voluntary
- July enrollment
- Funds not spent according to requirements are recouped





- Once you've completed your accountability report, it's to your benefit to complete the **optional worksheets** to find out if you face a recoupment.
- Don't submit these to PFD. They are optional, but they are valuable.
- We recommend you complete them on a regular basis throughout the year to be sure you're on track with meeting your spending requirement.
- They are in Excel so that you can download a working file.

Rate Enhancement Worksheets



- Used to calculate maximum potential recoupment.
 - >Remember that actual recoupment will not drop a provider below the nonparticipant level.
- Used periodically to check if you are meeting your spending requirement.



Steps of Rate Enhancement Worksheets

1. Go to the Provider Finance website at: https://rad.hhs.texas.gov/long-term-services-supports

- 2. On the left side of the webpage, select your program type (Deaf-blind Multiple Disabilities Waiver)
- 3. Under the heading "Reporting Information," Select "View 2020 Accountability Report"
- 4. Select "View the Accountability Report Worksheets and Worksheet Instructions".

Rate Enhancement Worksheets



- Notice there are multiple tabs in the worksheet. Be sure you fill out each one that is applicable to your business.
- Take the information from your STAIRS Accountability Report and input in the worksheet.
- The worksheet will identify the Step and line item from which to get the information in STAIRS to report on the worksheet.

I'm Facing a Recoupment



 If you're facing a recoupment, it isn't necessarily the end of the world.

 Bonuses are an acceptable way to avoid recoupments if you have a written policy and pay them within 180 days of the end of your reporting period.

 Be sure that the bonuses meet the requirements in the rule discussed earlier in the session. Gift cards do not meet those requirements!

Who Can Be Counted as an Attendant?



 Unlicensed caregiver providing direct assistance to clients with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs)

 Other staff who deliver attendant services to prevent a break in service

 To be allowable, attendant expenses must be direct costed, which requires daily timesheets

Examples of Staff Who Can Not Be Counted as an Attendant?



 Director, owner, administrator, assistant director, assistant administrator, clerical and secretarial staff, professional staff, other administrative staff, licensed staff, attendant supervisors, or maintenance and grounds keeping staff

• Does not include Intervener I, II, and III

What Does It Mean to Participate as a Group for DBMD?



- Contracts are evaluated in the aggregate for compliance with spending requirements
- Complete one Accountability Report for the entire group
- May avoid needing to allocate shared costs
- Useful if some contracts in lower-wage areas and some in higher-wage areas



Allowable Compensation That Must Be Direct Costed

Salaries/Wages:

- Regular Paid Hours
- Overtime
- Bonuses
- Cash Incentives/Awards

Paid Leave (e.g., sick, vacation, jury, etc.)

Employer-Paid Benefits/Insurance:

- Premiums for Health/Medical/Dental, Life Insurance, Disability Insurance
- Contributions to acceptable retirement funds/pension plans and deferred compensation funds
- Employer-Paid Child Day Care



Allowable Compensation Can Be Direct Costed or Allocated by Salaries Method

- FICA / Medicare
- Unemployment (TUCA and FUTA)
- Workers' Compensation Premiums
- Workers' Compensation Paid Claims
- Employer-Paid Health/Medical/Dental Paid Claims
- Employer-Paid Disability Paid Claims

Allocation Methods



Cost allocation determines the total costs attributable to a specific contract when costs are shared across multiple contracts within the same business entity or organization.

Allocation methods must be a reasonable reflection of the actual business operations of each contract AND consistently applied across all contracts that are sharing the costs.

Allocation Methods



Allocation Method	Summary of Allocation Method	Contract Makeup
Units of Service (UOS)	Ratio of each contract's units of service (including shared admin costs) <u>to</u> total units of service.	Separate contracts deliver equivalent services and use equivalent units of measurement (i.e., 1 day).
Labor Costs	Ratio of each directly charged labor cost for each contract <u>to</u> the total of these costs.	All contracts are mixed: labor- intensive costs <u>AND</u> programmatic or residential building costs.
Cost-to-Cost	Ratio of each of the directly charged costs <u>to</u> the total of these costs. Used if UOS allocation not acceptable.	Labor-intensive contracts, <u>OR</u> all contracts have programmatic or residential building costs.
Salaries	Ratio of each of contract's salaries <u>to</u> the total salaries for all contracts (used if UOS allocation not acceptable).	Labor-intensive contracts, <u>OR</u> all contracts have programmatic or residential building costs.
Total-Cost-Less- Facilities-Cost	Ratio of each contract's total costs minus each contract's facility/building costs <u>to</u> the total of such costs. Used if UOS allocation not acceptable.	Mixed contracts: some contracts are labor-intensive, others have programmatic or residential building component.
Functional Allocation Methods	Functions shared across contracts are allocated across all contracts receiving its benefit, such as the number of laundry loads, number of maintenance service tickets, activity attendance records, transportation mileage logs.	Any function that benefits more than one contract.
Other Allocation Methods	Other proper allocation of shared costs.	Other 51





Select the appropriate method

Select the method that you think best reflects the make-up of your business.

Calculate the allocation percentages

In short, the formula for calculating a percentage is to divide a part by the whole. Each of the PFD-approved allocation methods make use of this basic formula. They differ from each other in that they define the "parts" and the "wholes" differently.

Apply the calculated percentages

This is done by multiplying the total shared costs by the calculated percentage for each contract.





Allocation Summary - SALARIES METHOD

Adjusted Trial Balance - Home Health Corp As of 12/31/20XX

			Direct Costs				Alloca	ated Shared C	osts
						Shared	22.87%	50.59%	26.54%
Expenses:	Total Costs	Disallowed	Austin	Dallas	San Antonio	Costs	Austin	Dallas	San Antonio
Salaries									
Administrative	125,347.28					125,347.28	28,666.92	63,413.19	33,267.17
Attendants	87,434.22		19,286.35	46,289.32	21,858.55	-	-	-	-
RNs	44,295.84	Salary	10,352.45	22,576.36	11,367.03	-	-	-	-
Therapists	54,975.15	Costs	12,094.53	29,136.83	13,743.79	-	-	-	-
Contracted RN	70,000.00		15,299.99	28,145.20	19,221.57	7,333.24	1,677.11	3,709.89	1,946.24
Dietitian	2,400.00		•		•	2,400.00	548.88	1,214.16	636.96
FICA/Medicare	28,018.12		7,723.65	5,715.03	5,009.49	9,569.95	2,188.65	4,841.44	2,539.86
State & Federal Unemployment	6,592.50		2,524.07	1,494.13	978.51	1,595.79	364.96	807.31	423.52
Employee Benefits/Insurance	4,847.25		1,254.01	889.47	1,358.41	1,345.36	307.68	680.62	357.06
Office Lease	9,000.00		2,400.00	2,100.00	2,500.00	2,000.00	457.40	1,011.80	530.80
Utilities	8,945.67		2,385.51	2,087.32	2,484.91	1,987.93	454.64	1,005.69	527.60
Telecommunications	3,008.16		401.68	333.75	554.37	1,718.36	392.99	869.32	456.05
Office Supplies	1,501.80					1,501.80	343.46	759.76	398.58
Medical Supplies	874.64				487.39	387.25	88.56	195.91	102.78
Insurance - General Liability	1,254.00					1,254.00	286.79	634.40	332.81
Insurance - Malpractice	1,050.87					1,050.87	240.33	531.64	278.90
Travel	387.98	204.65	54.36	35.74	84.97	8.26	1.89	4.18	2.19
Advertising	402.87	104.97				297.90	68.13	150.71	79.06
Miscellaneous	601.47	254.74				346.73	79.30	175.41	92.02
Totals	450,937.82	564.36	73,776.60	138,803.15	79,648.99	158,144.72	36,167.70	80,005.41	41,971.61

Salary Method Allocation Percentages:	Salary Costs	Percentage
Total Austin	57,033.32	22.87%
Total Dallas	126,147.71	50.59%
Total San Antonio	66,190.94	26.54%
	249,371.97	100.00%

Labor Cost Allocation Method



		Ad	liusted	d Trial Balance	e - We Care						
		7.0	.juo.o.	As of 12/31/2							
								Allocated Shared Costs			
				Direct	Direct	Direct	Shared	43.04%	30.36%	26.60%	
Expenses:	Total Costs	Disallo	wed	HCS	ICF/IID	CBA	Costs	HCS	ICF/IID	CBA	
Salaries											
Administrative	125,347.28						125,347.28	53,946.59	38,054.21	33,346.48	
HCS Attendants & NonAttendants	87,434.22			87,434.22			-				
ICF/IID Attendants & NonAttendants	65,238.41				65,238.41		-				
CBA Attendants	54,975.15				Г	54,975.15	-				
Supervisors	33,254.88			13,528.48	9,467.85	10,258.55					
Contracted RN	4,572.08	Labor		4,572.08		_	-				
Consultants	2,500.00	Costs					2,500.00	1,075.94	758.98	665.08	
FICA/Medicare	28,018.12			8,073.41	5,715.03	4,990.38	9,239.30	3,976.38	2,804.96	2,457.96	
State & Federal Unemployment	6,592.50			2,524.07	1,494.13	978.51	1,595.79	686.79	484.47	424.53	
Employee Benefits	4,847.25			1,254.01	889.47	1,358.41	1,345.36	579.01	408.44	357.91	
Workers' Compensation	0.00			0	0	0		0.00	0.00	0.00	
Office Lease	9,000.00			2,400.00	2,100.00	2,500.00	2,000.00	860.75	607.18	532.07	
Utilities	8,945.67			2,385.51	2,087.32	2,484.91	1,987.93	855.56	603.52	528.85	
Telecommunications	3,008.16			401.68	333.75	554.37	1,718.36	739.54	521.68	457.14	
Office Supplies	1,501.80						1,501.80	646.34	455.93	399.53	
Medical Supplies	874.64					487.39	387.25	166.66	117.57	103.02	
Insurance - Malpractice	1,050.87						1,050.87	452.27	319.03	279.57	
Travel	387.98	2	04.65	54.36	35.74	84.97	8.26	3.55	2.51	2.20	
Advertising	402.87	10	04.97				297.9	128.21	90.44	79.25	
Miscellaneous	601.47	2	54.74				346.73	149.22	105.26	92.24	
Totals	438,553.35	5	64.36	122,627.82	87.361.70	78,672.64	149,326.83	64.266.84	45,334.17	39,725.82	
	100,000		- 1100	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	0.,00			,	,		
Labor Method Allocation Percentages:		Labor (Costs	Percentage							
Total HCS		117,3	86.27	43.04%							
Total ICF/IID		82,8	04.89	30.36%							
Total CBA		72,5	61.00	26.60%							
		272,7	52.16	100.00%							

Allocation Methods

APPROPRIATE ALLOCATION METHODS FOR REPORTING SHARED ADMINISTRATIVE COSTS THAT CANNOT BE REASONABLY DIRECT COSTED



Makeup of Controlling Entity's Contracts	Multiple Contracts of the Same (Equivalent) Type of Service	Various Contracts - All Labor-Intensive	Various Contracts - All with Programmatic- or Residential-Building Costs		Shared Administrative Personnel Performing Different Duties for Different Contracts (Not Direct Care)	Functional Methods
Allowable Allocation Methods	Units of Service	Cost-to-Cost Labor Costs Salaries	Cost-to-Cost Total-Cost-Less-Facility-Cost Labor Costs Salaries	Total-Cost-Less- Facility-Cost Labor Costs	Time Study*	Payroll Department - Number of payroll checks issued for each contract during the reporting period Purchasing Department - Number of purchase orders processed during the reporting period for each contract

Providers may use any of the methods listed as appropriate for the makeup of their business organization. If one of the approved methods does not provide a reasonable reflection of the provider's actual operations, the provider must use a method that does. If none of the listed methods provides a reasonable reflection of the provider's actual operations, contact your Rate Analyst for further instructions.

^{*}See 1 TAC §355.105(b)(2)(B)(i) for time study requirements.

Time Sheets







Any staff whose duties include:

- multiple direct service types,
- both direct and indirect service component types, and/or
- both direct hands-on support and first-level supervision of direct care workers.

Time Sheets What Are They?



 Continuous record of time on a daily basis throughout the entire reporting period.

 Maintained to directly charge ALL hours worked in each job function and activity for the entity.

Time Sheets Requirements



- Employee Name
- Date
- Start and Stop time
- Total Hours Worked
- Time worked providing direct services in the program
- Time worked performing other functions
- Paid time off
- Appropriate Signatures

Time Sheets Requirements

DAILY TIME SHEET



Services

EMPLOYEE NAME Jane Smith DATE: 8/10/20xx

TIME(h	h:mm)				HCS			ICF/N	IR			
BEGIN	END	Consumer	DUTIES/ACTIVITIES PERFORMED	Location	SUPERVISORY	ADMIN	Attendant	SUPERVISORY	RN Duty	ADMIN	Attendant	INDIRECT/SH ARED TIME
8:00 AM	8:30 AM	Smith, A	Travel to Supervisory Visit	MH	0.50							
8:30 AM	9:30 AM	Smith, A	Supervisory Visit	МН	1.00							
9:30 AM	9:45 AM	Jones, S.	Travel to Supervisory Visit	LP				0.25				
9:45 AM	11:15 AM	Jones, S.	Supervisory Visit	LP				1.50				
11:15 AM	11:45 AM	Adams, J.	Travel to Nursing Visit	SW					0.50			
11:45 AM	12:30 PM	Adams, J.	Skilled Nursing	SW					0.75			
12:30 PM	1:00 PM	Adams, J.	Travel Back to Office	SW					0.50			
1:00 PM	1:30 PM		Lunch									
1:30 PM	2:30 PM	Lee, M	Phone Calls RE: Adaptive Aids	МН		1.00						
2:30 PM	3:15 PM	Duty, V.	Supervisory Visit for ADL tasks only		0.75							
3:15 PM	4:00 PM	Hall, J.	Filled in for absent attendant				0.75					
4:00 PM	4:30 PM		Annual Leave / Vacation									0.50

8.00

DAILY SI	JMMARY BY PROGRAM/C	ONTRACT #					
PROGRAM	ROGRAM CONTRACT#		Atten- dant	RN	Admin	Indirect	
HCS		2.25	0.75		1.00		
ICF LP	700056	1.75					
ICF SW	706569			1.75			
Indirect Time	N/A					0.50	
	Initial Totals	4.00	0.75	1.75	1.00	0.50	
	Allocated Indirect	0.27	0.05	0.12	0.07		

TOTAL for the DAY

0.80 1.87

Signature: Jane Smith

Date: August 17, 20xx

Supervisor: Mary Evans

Date: August 17, 20xx

BREAK TIME

We will now take a 15 minute break.



How to Complete the Accountability Report in STAIRS





General Information

 The accrual method of accounting must be used UNLESS the provider is a governmental entity. NO EXCEPTIONS.

 A reconciliation worksheet between the report and the trial balance is a critical item to the preparation of the report.
 This should always be prepared.





State of Texas Automated Information and Reporting System

The first person at a contracted provider to receive access to STAIRS is the Entity Contact (Primary).

Notification of access, and of the login and password, will be by email to the email address we have on file for the provider.

If you have not received notification of access, then please contact costinformationpfd@hhs.texas.gov



Before You Begin

Review your ledger for unallowable costs and costs that require allocation.

Adjust for accruals.

Prepare the reconciliation worksheet and allocation summaries.





Organization of the Accountability Report

Reporting Categories

- Combined Entity and Provider Information
- Units of Service and Revenues
- Wages and Compensation
- Payroll Taxes and Workers' Compensation
- Verification Summary and Certifications
- Agree/Disagree and Informal Review





Entity and Provider Information

- Designation of Entity Contact
- Roles and Designation of Preparer(s) and Other Contacts
- Management of Contracts



STAIRS - Dashboard

The **Entity Contact** (Primary) logs into the system and sets up other users.

First screen is the Dashboard. From here the Entity Contact can edit their own information, add roles for themselves or others, edit the information of other contacts.

This screen also contains a link to Training registration



STAIRS - Manage Contacts

Click on **Manage**, to the right on the bar at the top.

Links to **add a new contact**, DBMD preparer is at the top of the page.

The person doing entry will need to have the new contact's First/Last Name and Email. If the person is to be connected to multiple DADS contracts and/or programs, this step will need to be completed once for each contract and program combination.



STAIRS – Manage Contacts

Select "Add a new contact".

- ➤ Additional Entity Contacts and Financial Contacts can be added at this time.
- ➤ Initial Entity Contact (Primary) can then edit the Entity Contact (Secondary) to make that person the new Entity Contact (Primary) if the initial person is not going to hold that role. Once that is done, the initial Entity Contact (Primary) becomes (Secondary) and can no longer add or edit roles and can only edit his/her own information.



STAIRS - Manage Contacts

Report Preparer – determine who will be preparing your accountability report.

Select "Add DBMD preparer".

Search by name and check that the person is on the drop-down list to choose as the Preparer in STAIRS.



Roles

Entity Contact can set up all other user types and additional Entity Contacts. Can review the accountability report. Must sign the Accountability Report Certification.

Preparer can set up other Preparers. This is the only role that can make entries into the accountability report. Must sign the Methodology Certification. Cannot sign the Accountability Report Certification.



Roles

Financial Contact can set up Preparers and other Financial Contacts. Can review the accountability report. Can sign and upload the Accountability Report Certification.

Detailed information can be found in the document titled "Managing Contacts Processing Procedures" in the Reference Materials section at the bottom of every page in STAIRS. A person can hold more than one role.



Roles

Combined Entity - one or more commonly owned corporations and/or limited partnerships where the general partner is controlled by the same identical persons as the commonly owned corporation(s). May involve an additional *CONTROLLING ENTITY* which owns all members of the combined entity.

Contracting Entity - The contract with which Medicaid contracts for the provision of the Medicaid services included on this accountability report.



Steps 1-2

- Combined Entity Identification all contacts must have information edited
- General Information Combined Entity reporting dates
 - Probably, but not necessarily, the same as contracting entity.
 - ➤ Pre-populated. Any correction requires communication with PFD.



Step 3

Contract Management

- Verify Accountability Report Group Code assure that all DBMD program contract numbers and CPC, IDD, RC or DAHS reporting groups that are within the entire related organization are included
- Enter all other Contracts, Grants or Business
 Relationships with the State of Texas or any other
 Entity this means everything connected with the entire
 related organization.



Step 4

General Information

- Correctly identify the ownership of the contracting entity
- Dates prepopulated
- Rate Enhancement Participation questions prepopulated
- Questions regarding preparation to complete the report
- Did you provide units of service during this accountability reporting period?
 - If not, you may be eligible for a accountability report excusal.
 Please contact PFD at

PFDCostReportVerification@hhs.texas.gov





Step 5

Units of Service and Revenue

Attendants Units - One unit of service is equal to one hour of care delivered to the client.



Step 6

Wages and Compensation

- Step 6a General Information
- Steps 6b Related Party
- Step 6c Attendant



Step 6

Wages and Compensation Reporting Staff Time and Cost

HOURS = Hours worked in order to earn the wages/compensation reported on corresponding line item.

NOTE: Hours reported will not necessarily be the same as what the provider billed or was reimbursed for. Hours on these line items should come directly from payroll records, not billing information.



Step 6

Wages and Compensation Reporting Staff Time and Cost

Allowable Compensation That Must Be **Direct Costed** (1/3):

- Salaries/Wages
 - ➤ Regular Paid Hours
 - **≻**Overtime
 - **≻**Bonuses
 - ➤ Cash Incentives/Awards
- Paid Leave (e.g., sick, vacation, jury, etc.)
- Accrued Vacation, Accrued Sick Leave



Step 6

Wages and Compensation Reporting Staff Time and Cost

Allowable Compensation That Must Be **Direct Costed** (2/3):

- Employer-Paid Benefits/Insurance
 - ➤ Premiums for Health/Medical/Dental, Life Insurance, Disability Insurance
 - ➤ Contributions to acceptable retirement funds/pension plans and deferred compensation funds
 - >Employer-Paid Child Day Care



Step 6

Wages and Compensation Reporting Staff Time and Cost

Allowable Compensation That Must Be **Direct Costed** (3/3):

Mileage Reimbursement:

- > 1/1/2019 12/31/2019 = 58.0¢ per mile
- > 1/1/2020 12/31/2020 = 57.5¢ per mile

May be less than the maximum, based on provider's policy, but may never be greater.



Step 6

Wages and Compensation Reporting Staff Time and Cost

Allowable Travel and Transportation – Step 6c

- Transport individuals to/from DBMD facility services and activities in personal vehicle
- Use personal vehicle to attend allowable training
- Must use mileage logs to allocate costs



Step 6

Wages and Compensation Reporting Staff Time and Cost

Compensation That Can Be Direct Costed or Allocated by Functional Method:

- Employer-Paid Health/Medical/Dental Paid Claims
- Employer-Paid Disability Paid Claims





Step 6

Wages and Compensation Attendant Non-Related Party Wages and Benefits Step 6c

Attendant Staff includes:

 Day Habilitation, Habilitation – Less Than 24 Hours, Intervener, Chore, Supported Employment, Employment Assistance and Community First Choice (CFC) PAS/HAB.



Step 7

Payroll Taxes and Workers' Compensation

Section 125 or Cafeteria Plan

Texas Workforce Commission Reimbursing Employer?

Taxes and Workers' Compensation reported as

Attendant, Non-Attendant/Program Administration and Central Office

Note: Step 8 is not required.





Step 9, 10, and 11

Verification Summary and Certifications

The **final summary** shows everything entered into the accountability report.

The preparer is required to verify his/her entries.

There are two certifications:

- Methodology
- Accountability Report

Both must be signed, notarized and uploaded into STAIRS in order for the report to be submitted. Preparer Certification cannot be dated after Entity certification, to do so will make both documents void.





Step 9, 10, and 11

Verification Summary and Certifications

Once you have verified your information and printed the certifications, the accountability report is **locked** to any further changes.

If you realize that something was omitted and you need to access your data again or upload an additional document, you will need to contact costinformationpfd@hhs.texas.gov to assist with getting the report re-opened.



Step 12

Provider Adjustments Report

Report Shows:

- Changes made to original values
- Adjusted amount
- Reason for the adjustment
- Summary Table at bottom of report
- Review Period Expiration date



Step 13

Agree / Disagree

Completed by individual legally responsible for conduct of contracted provider.

Designated in STAIRS with "Entity Contact" or "Financial Contact" role.

Agree = Finalizes this accountability report.



Step 13

Agree / Disagree

Disagree = Informal Review (IR) request.

IR – must be received no later than 30 calendar days from adjustments notification.

Extension to file IR – within 30 days from notification; provides 15 additional days (total of 45 days).



Step 13

Agree / Disagree

"Agree and Request a Payment Plan"

- This is a third option that appears for reports that have a recoupment amount above \$25,000
- Finalizes this accountability report



Payment Plan Requests

If your accountability report has a recoupment amount below \$25,000, then you still may request a payment plan.

The Provider Finance Department has a formula that it uses to determine if a provider is eligible for a payment plan.

However, each payment plan request will be determined on a case by case basis that considers the specific circumstances of the provider and the accountability report.



Payment Plan Requests

Letters for a Payment Plan Request must be emailed to the Director of Provider Finance for Long-Term Services and Supports at PFD-
LTSS@hhs.texas.gov and must follow these requirements:

- Is on the company letterhead
- Details what is being requested (a payment plan)
- Includes Accountability Report Group number or Contract number
- Includes the year and type of report
- Is signed by the "individual legally responsible for the conduct of the interested party" (usually the Entity Contact in STAIRS)
- The request meets the deadline (30 days from the Provider Notification date)



Step 14

Agree / Disagree

Informal Review:

- Written request
- Signed by individual legally responsible for the conduct of the requesting entity
- Hand delivery, U.S. mail, special mail delivery or email.



Step 14

Informal Review

After HHSC staff has completed the IR, provider will be notified and can see the adjustments via Step 14.

Any further actions, such as a formal appeal, will not be handled in STAIRS.

Due Date



Accountability Reports are due April 30, 2021

HHSC Provider Finance Contact Information



For Assistance With	Telephone	E-mail
Accountability Report completion, instructions, informal reviews and/or general guidance	(512) 424-6637	pfd-ltss@hhs.texas.gov
Accountability Report Excusals		pfdcostreportverification@hhs.texas.gov
Accountability Report Requests and Submission or STAIRS Technical Assistance	(512) 438-2680	costinformationpfd@hhs.texas.gov
Enrollment for Rate Enhancement and Training Information and Registration	(512) 438-2680	costreporttrain@hhsc.state.tx.us





Regular Mail:

Texas Health and Human Services Commission Provider Finance Department, Mail Code H-400 P. O. Box 149030 Austin, TX 78714-9030

Special Delivery:

Texas Health and Human Services Commission Provider Finance Department, Mail Code H-400 4900 North Lamar Blvd. Austin, TX 78751-2316



Thank you